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# Jean Monnet Chair Papers

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## The Politics of European Integration

Bernt von Staden



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The European Policy Unit at the  
European University Institute

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Von Staden, *The Politics of European Integration*

## **The Jean Monnet Chair**

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Bernt von Staden

1991

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Printed in Italy in April 1991  
European University Institute  
Badia Fiesolana  
I-50016 San Domenico (FI)  
Italy

# The Politics of European Integration

The ideas presented in this paper do not claim to be the outcome of scholarly research. Rather, they are the impressions, experiences and conclusions of a diplomat, supplemented, of course, by extensive reading. I present them to you in the hope of providing some assistance in your scholarly and political work.

But is this feasible? Is it possible to learn from history? The question has been disputed for as long as historians have existed. My own answer is, of course, yes. Every child learns from experience; why should not nations and their politicians be able to do so? History does not repeat itself; it does not run cyclically like the sequence of the seasons, but more in a set of spirals which keeps coming back to similar points but at a different level. But the hopes and fears, the passions and phobias of people are always similar, and along with them, the errors, illusions and mistakes, as well as the high points and the successes.

The history of European unification too is rich in high points and in missed opportunities, in hopes fulfilled and illusions lost, and not least in groundless fears. People place their hopes in the new, but they also shy away from it; they fear losing what they have and defend their acquired positions. Those who have the greatest difficulties are yesterday's big powers. It is not so long ago that they thought they were autonomous, that they could meet modern requirements on size. Like a small businessman facing the constraint of merger, they fear losing their capability of self-determination. The diminishing importance of the nation State seems to them to be an abandonment. Ways of doing things that are comparatively easy for small countries have to be painfully acquired by them.

It is no wonder that it took the enormous shocks of two European civil wars to make the idea of unification generally acceptable in free Europe. But this idea would hardly have been realized unless a number of very special circumstances had happened to coincide.

It has been said, sometimes not without irony, that the fathers of the Community of Six dreamt of restoring the Empire of Charlemagne. But this idea is, in fact, not so far-fetched. It is certainly no coincidence that the founders came from the very border region which, when the Empire was divided among Charlemagne's heirs, went to Lothar, stretching from the present Netherlands through Belgium, Luxembourg, the Rhineland,



Lorraine and Burgundy into northern Italy. In the main, they also shared the Catholic tradition, and languages in which they could communicate: Schuman, Spaak, Bech and no doubt Beyen too, in French; Adenauer, Schuman, de Gasperi and Bech in German.

Europe of course does not stop at six, nor even at twelve. "The Six" though were the core of Europe and still are today, and they have no reason to be ashamed of this. In the case of the Federal Republic of Germany, there were other particular circumstances that came into play, too well-known to need prolonged discussion: the defeat, the shock of expulsion and sovietization in the east, the division of the country. But the decisive fact was that for the first time since Charles V, Germany's centre of gravity had shifted from the Austrian south-east and the Prussian north-east back into the Catholic west. This shift was to develop a particular political dynamism because a seventy-three year old Catholic Rhinelander was elected Federal Chancellor by a one-vote majority and retained that office for fourteen years. It is highly questionable whether the European Community would exist if the leader of the Social Democratic party Kurt Schumacher had been elected Chancellor in his place. The SPD rejected not only the Treaty of Paris — on the ECSC — but even membership in the Council of Europe. However this party has long been loyally "European".

It has been said that the Federal Republic of Germany is a product of the "cold war". This is, of course, an over-simplification. But it is certainly true that the emergence of the West German State was aided by the cold war. For a number of reasons this was to have decisive effects on European integration as well.

The idea of European unification, which was, as it were, in the air in 1945, was initially not realized at all. The Council of Europe remained, upon British insistence, on the level of purely inter-governmental cooperation. But that cannot, as experience has repeatedly shown, provide any stimuli, still less constraints, towards integration. It is not only Poland that has been torn apart by the *liberum veto*. It cripples any organization, as the European Community too experienced between 1965 and 1985. If it is rooted in it from the outset, it can never cross the threshold into "integration", unless, like NATO, it has in reality a hegemonic structure. Similarly, the OEEC, the European organization set up to administer Marshall Aid, was an inter-governmental body, again upon British insistence and against American pressure. Despite the extremely valuable work which it, as well as the European Payments Union, accomplished, it was not able to bring about a structural unification of Europe.

This was finally achieved with the Schuman Plan of 9 May 1950, the farseeing idea of the brilliant Jean Monnet. America, reinforced by the experience of the cold war that was beginning, insisted on the economic and also military involvement of the Federal Republic of Germany in the Western system of states. France, on the basis of its own experience, in-



sisted on control by the Allies of the German potential. This was the object of the Allied Ruhr Authority set up in 1949.

But this discriminatory structure was in conflict with the American aims, shared by Adenauer. Monnet provided a resolution with the brilliant solution of reciprocal joint control. This, in its author's intention, could by definition only be supra-national. On an inter-governmental level, it would probably only have led to stagnation or ineffectiveness, in practical terms, of controls, which would have been economically and politically unacceptable. Monnet's brilliance lay in realizing that an Archimedean point was needed to set Europe moving, and then to find and make use of it. From this experience he developed the principle of functionalism. Integration covering wide areas could not, he believed, succeed; rather, the process had to start from strategic points and be pushed forward from them. On both points Monnet was, as it turned out, ultimately wrong; a good example of the fact that even the most brilliant idea needs a favourable moment.

That this is so emerged immediately with the next attempt. In 1950, France, again on Jean Monnet's advice, sought once more to apply the functional method of coal and steel integration in the hardest of all fields of integration, the military area. American pressure for incorporation of the Federal Republic into the Western Defence Alliance was met by Paris on 24 September 1950 with the "Pleven Plan" for a European army, accompanied by the ambitious project for political union. This approach failed; it is worthwhile taking a glance at the reasons why and following on with a number of questions.

Defence, currency and fiscal sovereignty are the keys to national sovereignty. The tradition of the nation-State is not particularly old in any European country, with the possible exception of England. Yet the feudal system finally disappeared in France with Richelieu. Accordingly, one may say that the nation-State, has existed after all for more than three hundred years. The nation, therefore, was simply not prepared to dissolve its proudest symbol, the national army, in the melting-pot of integration. Nevertheless, the government of Pierre Mendès France, one of the few strong governments of the Fourth Republic, might have brought off the trick if two conditions had been met: if this had been its priority and if its partners had met its wishes for amendments to the Treaty.

However, neither was the case. The history of those years cannot be understood without bearing in mind that America and France had entirely different priorities. America, victorious and prosperous, was, since George Kennan's "long telegram" of 1947, since the Truman doctrine, the Berlin blockade and the Korean War, primarily concerned with containing Soviet power which at that time it saw as on the advance everywhere. France, by contrast, fighting for economic and political stability following traumatic experiences, saw itself facing the disintegrative test of decolonization. Extrication and decompression are the most difficult operations in politics, as France learnt after 1945, and Russia is learning today.



Extrication, the infinitely difficult dissolution of a proud empire, was essentially effected by France in two stages. The first, centring around Indochina and Tunisia, was carried out by Pierre Mendès France, and the second, particularly in Algeria and Africa, by Charles de Gaulle.

I remember asking the great columnist Walter Lippmann in the mid-sixties why he regarded de Gaulle as the most important statesman of the times. As a supporter of Jean Monnet and a European from the start, I simply could not see his reasoning. Lippmann answered that de Gaulle, with the withdrawal from Algeria, had brought off a masterstroke more difficult than anything in politics.

The same is true of Mendès-France and Indochina. Freeing France from that dreadful permanent bloodletting was his primary goal. It is therefore quite understandable that he did not want to employ and lose his prestige in the struggle for the EDC. I suspect that Adenauer did not see this clearly enough, given the no less strong influence of the fear of Russia on our side. We have never, by the way, known enough about each other. This is still the case today. In the news, we learn more about the West Bank or Afghanistan or South Africa than about our neighbours.

Nevertheless, Mendès-France did make an attempt, and submitted a number of proposals for the amendment of the EDC Treaty to his partners in the summer of 1954. These however were rejected at a Foreign Ministers' conference of the Six in Brussels in August 1954. They would, on the one hand, have stripped the planned organization of its supranational character, Germany would have been discriminated against and the amendments would have necessitated new ratification proceedings although the Treaty had already been ratified in the other countries. On 31 August the French National Assembly then struck the treaty off its agenda. The EDC had failed. Ought an attempt have been made to save it? The question is of interest to the historian, but is also of more fundamental political interest.

Firstly, one might perhaps ask whether the alternative solution then arrived at, full membership for the Federal Republic of Germany in the Atlantic Alliance, might not in hindsight have been the better one. The answer is probably in the affirmative. From the security policy viewpoint, this solution was more efficient, and Europe's ties to its protecting power, America, were almost certainly strengthened by it.

But how is the 1954 "setback" to be assessed from the viewpoint of European integration? Was it, as many think, the great setback from which the integration movement never quite recovered? This is a point that certainly requires further research.

On the one hand, the question facing France's partners in summer 1954 was whether it was defensible to agree to a treaty which in their unanimous view would be defective. Can one do such a thing? Can one trust in the healing power of time, or ought one from the start to insist on creating institutions and mechanisms that are capable of functioning smoothly?



From an objective viewpoint, the latter is probably the case; in the security area no doubt even more than in economics, for economic interest ultimately makes a path for itself, like a river sweeping away obstacles. Thus, it was possible to amend the Rome Treaty several times, with the merger of institutions, direct elections, own resources and the Single Act. Likewise, the unanimity principle that was *de facto* imposed on the Community in 1965 was explicitly removed again by the Single Act.

Integration brings about a loss of national capacity for action. Unless it is compensated for at Community level, there emerges a deficit in decision-making which brings consequent economic disadvantages. But economic interest will sooner or later make its way through and enforce adaptation. However, this process takes a long time, more than is perhaps available in the defence area. Again, in the military area there is no comparable pressure to adapt. The example of the Western European powers in the years before the Second World War shows that even a tangibly manifest and daily growing danger is not necessarily enough to secure the requisite political acceptance for the necessary defence efforts. A wrongly constructed military integration should not, therefore, have been concluded.

But even so, the question remains as to whether the failure of the Defence Community was really the historical setback to integration policy, as is so often argued.

In the upshot, this question today remains a key question for European integration, perhaps the hardest one of all. Behind it lies the broad, complex set of issues of the relationship between Europe and the US, of the concept of the Community as a union or as a confederation, of the "common European home" and last but not least, of the division of Germany.

At this stage, it is therefore too early to seek an answer. All that seems certain is that the historical and the contemporary political evaluation of the failure of the EDC is among the most difficult analytical tasks faced by Europe's scholars.

Barely a year after the French National Assembly had brought the EDC down, the historic decision was taken at a Foreign Ministers' conference of ECSC countries in Messina to attempt a new approach to integration, this time in the economic sphere and in atomic energy, which was at the time still universally regarded as the energy of the future and therefore as constituting the next step in functional integration following coal and steel. Jean Monnet was initially rather reticent towards the comprehensive approach of the "Common Market", the EEC. From the methodological viewpoint, EURATOM was more in line with his philosophy of functional integration.

The development took place in a different way. The comprehensive approach of the Economic Community was successful beyond all expectations. EURATOM led a useful but rather modest existence alongside it,



and with the merger of 2 March 1965 (in force from 1 July 1957) it was practically absorbed into the larger Community.

With hindsight, does this finding diminish the merits and importance of Jean Monnet? Certainly not. Without him the breakthrough of the concept of integration from a vague idea into reality would not have come about. And even the failure of the EDC had the positive aspect of provoking the shock that led to the success of Messina.

The breakthrough achieved by Monnet took place without the involvement of Britain and, in the final measure, against his will. Britain would have preferred cooperation to remain on the inter-governmental level, as with the Council of Europe, the OEEC or the European Payments Union. The motives for this attitude, which still operate today, are worth analysing.

The terrible sufferings and sacrifices of the second European civil war unleashed by Germany had left all the peoples and countries affected by it in a state of extreme exhaustion. But their psychological starting-point in 1945 was very different. It ranged from the shock of utter defeat, of division and of total loss of sovereignty in the case of Germany to the proud consciousness of being victorious and holding the position of third world power in the case of Britain. Germany could not sink deeper than it had, and any step that it took after zero hour could only be upwards. Britain lived in the illusion of a power position that it in fact no longer possessed, and faced a long road of painful adjustments. Every renunciation of sovereignty that the Federal Republic of Germany accepted in the course of European and Atlantic integration was in reality merely the price for regaining statehood and a capacity for action, and was therefore not a sacrifice, but, in the upshot, a gain. By contrast for Britain, which saw itself as the centre of a world political system of Atlantic partnership, the Commonwealth and the European continent, renunciation of sovereignty must have appeared as an act of national abdication. To be sure, there were also practical reasons why London rejected forms of integration going beyond inter-governmental cooperation: concern for Commonwealth trading preferences, for the functioning of the sterling area and for the newly emergent global structures embodied in the United Nations, the World Bank, the International Monetary Fund and GATT. But the fact that British reservations on the transfer of sovereign rights to Community institutions still exist today, even though these reasons have largely lost importance seems to show that the real cause lies deeper. It was Britain's national self-image which from the outset led to its position of aloofness concerning integration and which in fact from time to time meant it deliberately or implicitly sought to undermine it.

One such attempt can be seen in the proposal to set up, simultaneously with the "Common Market", a "great free-trade area", which was to cover, on the one hand, the recently established EEC and, on the other, the OEEC Member States not belonging to the Community of Six.



Viewed from the outside, this project failed for technical reasons such as those of harmonization of external customs tariffs and of commercial policy, the question of origin, protective clauses, Commonwealth preferences and the inclusion of agriculture. In reality, however, the fundamental issues involved were the “philosophy” of European unification and the crucial question of leadership in Europe.

Regarding the “philosophy”, even within the Community there were two opposing schools of thought in Germany exemplified on the one hand by the Federal Minister for Economic Affairs Ludwig Erhard, and on the other by the first President of the European Commission Walter Hallstein. The first group, the globalists, the spokesman for which was the Swiss economist of German origin, Wilhelm Röpke, were at bottom opposed to any regional structure and even more so to a narrow community of six. They feared the danger of a splitting of Europe into trade blocs, of a trade war, and of a highly protectionist community. The term “fortress Europe”, often heard today, had not yet been coined. But the fears already existed, even in their emotive exaggeration, which not infrequently spilled over into blind vehemence.

Today we know how exaggerated those fears were, but that obviously does not prevent them from being repeated.

The other group, with France at the head, and also the Commission, instead feared that the Community that had only just been founded would dissolve in the free-trade area like sugar in a teacup. That this was precisely Britain’s intention was a widespread if seldom openly expressed suspicion among the “Europeans”.

Were these concerns by the “Europeans” justified? It never came to the test, since the negotiations on the free-trade area failed on 14 November 1958 with the French veto. On 1 June 1958 Charles de Gaulle had come to power in France. This signalled the return to the European political stage of a giant who was to stride it for the next eleven years. His veto — not the last, as it turned out — was of great significance in more than one respect. The first remarkable point was that here all at once there was a government with the rare courage to say no. This courage was subsequently often used for purposes that set grave obstacles in the path of European integration. That is not so clear, however, in the present case.

The question whether the EEC would have dissolved in the great free-trade area or have been stifled in it cannot, as we have said, be answered conclusively. That such a danger existed there can be no doubt. It was averted, but at the cost of a crisis. But crises pass. Fundamental interests prevailed: the Treaties of Rome were ratified and entered into force in line with the prevailing political will of those involved and, in the view of a majority, with their economic interests as well. America stood firmly behind the young Community, rejecting discrimination by an “unpolitical” free-trade area. So the troubled waters were calmed, and the Community could start on its road to a success beyond all expectations.



To be sure, the French veto of 1958 had other consequences as well, perhaps not foreseen so clearly at the time. The much feared trade war between the EEC and the "little free-trade area", EFTA, founded after the failure of the negotiations, did not occur. Trade wars, at any rate between friends and trading partners, do not deserve the name anyway, since they are not, as a rule, concerned with destroying or damaging the opponent, but with balancing out mutual advantages. The EEC and EFTA, accordingly, managed to get along together quite well.

Britain, however, saw itself excluded from having a say on the Continent, and inevitably felt this state of affairs to be unacceptable. Its whole historical experience opposed the idea that unification of the Continent should take place without any control from London. But since the failure of the free-trade area meant that the only recourse open was accession, it was logical and inevitable that the French veto would sooner or later induce London to apply for membership in the Community.

Thus through the veto the road was paved towards a decision of principle which, following two failed attempts in 1961 and 1967, was finally taken in December 1969, namely the decision that the Community was to follow the path of "enlargement". This decision, at the same time, meant a slow-down and perhaps even a limitation of its "deepening", since while one does not exclude the other, it does make it harder. However, the slow-down in the integration process was not primarily a consequence of accession by Britain, Denmark and Ireland to the Community, but the outcome of Charles de Gaulle's policies.

As has been said, the psychological and political starting-point of the various European countries in 1945 was highly divergent. France was in a quite special position, differing fundamentally from the German one but also considerably from the British one. France had initially lost the Second World War, only to end up sharing in winning it. This was thanks above all to the upbending will of one dominating personality, Charles de Gaulle, to whom the reins of government, indeed the reshaping of the Republic, were once again entrusted in 1958.

This is not the place to analyse the political convictions, the "ideology", of this great man. Was he a "nationalist"? An 18th-century man? An autocrat? Probably no such cliché can be assigned to him. But two things are beyond doubt, and must be perceived if de Gaulle and his policies are to be understood: the deep impression that the decline and collapse of the Third Republic had left on him, and his conviction that only national pride and national self-assurance could give France the strength to find its way back to greatness.

From this viewpoint, de Gaulle had to reject the idea of supra-nationality and of transferring sovereign rights to Community institutions. In this his position resembled that of the leading British politicians. By contrast with them, however, he saw France's opportunity as lying within Europe. His aim was not to keep the development of Europe under control, but to lead it. Yet he was not, like Monnet, prepared to pool



sovereignty, to have it administered by autonomous Community institutions. The "Europe des patries", an expression not coined by de Gaulle but by Michel Debré, was to be a Community and yet not one, a loose federation of states and yet more than the sum of its parts, able to defend a European identity against American predominance and yet leave the identity of the nation States unaffected. The contradictions inherent in such a concept could have been resolved only in a hegemonic structure, but France was not strong enough to achieve this, as de Gaulle was no doubt well aware. He therefore saw no choice but to pursue a policy regarding Europe that in the end was bound to prove ineffective.

Initially, however, de Gaulle took two actions that were to be equally favourable to integration. He stopped the tug of war over the great free-trade area, thus liberating the Community's powers of self-realization; he reformed France economically and politically, freed it of the heavy burdens of the decolonization process and thereby for the first time put it in a position to take up its role in the Community without restrictions. His policy could be called dialectical. It was his policy that made the Community fully functional, but it was this very policy that also led to severe setbacks for the Community.

The fact that the General rejected the supra-national structure of the Community was well-known long before he came to power. Accordingly, the new regime was not welcomed by the "Europeans" without concern. How much the greater, then, was their relief when de Gaulle, meeting with the German Federal Chancellor on 26 November 1958 in Bad Kreuznach, stated his willingness to maintain and advance cooperation within the framework of the European Community.

However, this relief was to prove premature. In fact, the General's acceptance of the Treaties, since they had after all been signed and ratified, in no way meant a retreat from rejection of supra-nationality or from his conviction that political decisions should, in the area of economic integration too, be reserved for the States alone. De Gaulle made this clear in his press conference of 5 November 1960 where he set forth the plan for a "political union" which subsequently became known as the Fouchet Plan. He was thereby clearly and deliberately opposing — and this is an important point to which we shall return — all those European federalists who, like Monnet, Hallstein and probably Spaak too, believed that political integration would by necessity result from the objective compulsions inherent in the process of economic integration. The impression gained by the observer in hindsight is not that the General with his initiative was simply pursuing the goal of supplementing economic integration with political unification. Instead, what one suspects is that he wanted to switch the political points in his direction, before the unexpectedly dynamic institutionalized cooperation in the EEC started to spark over from the economic sphere into politics.

The method used by de Gaulle to guide developments in the directions he wanted was to roof the system of the Rome Treaties over with a high-



level political structure. The Council of Heads of State and Government, which was in de Gaulle's view to be responsible for fundamental questions of the economy too and which was, of course, to function according to principles of inter-governmental cooperation, that is, according to the unanimity principle and without being bound by proposals from an independent Community agency, was to be above the institutions of the Rome Treaties. But this would have meant moving the Community system off its pivot.

The course of events is well-known, and need not be gone into in detail here. Following laborious negotiations, a far-reaching rapprochement was achieved in late 1961. A struggle within the Community ensued at the end of the year over entering the second stage of the transitional period, in which the main question at stake was the formulation of the Common Agricultural Policy. Following a marathon lasting almost three weeks, which can only be recalled with horror by all those who were present, the package was tied up on 14 January 1962 and the decision was taken for the Community to enter the second stage of the transitional period. Then, on 17 January 1962, President de Gaulle unexpectedly presented his partners with a new version of the Fouchet Plan which practically withdrew all the concessions that had been wrung from France by the Five during more than a year of tough negotiations.

For the second time, the General had put his veto down. The shock was enormous, strengthened by the suspicion of many that they had been deceived. Was this the pay-off for the concessions that had been made, by no means least to France, in the agricultural negotiations? In fact the coup of 17 January 1962 marked the end of the Fouchet Plan. There were still attempts to save or revive it, which, however, failed due to Belgian and Dutch resistance.

But this chapter, as it turned out, was not really finished. The French "empty chair" policy in the Community from 30 June 1965 onwards, ending only with the Luxembourg dissent of 28 January 1966, with its distorting effects, has to be seen together with the failure of the Fouchet Plan within a single political context which has not as yet been adequately studied.

The failure of the Fouchet Plan was firstly due to the incompatibility of the General's objectives on the one hand with his partners' on the other, but probably equally to the fact that the French President mis-estimated the interests of his partners.

This was true primarily for the Federal Republic of Germany, which was then faced with the hardest of dilemmas. For its first Chancellor, as for all his successors, the indispensability of close Franco-German partnership and cooperation was an axiom of German foreign policy after the Second World War.

This is partly for historical reasons. The replacement of the "hereditary enmity" between the two countries and peoples by a relationship of friendship is seen by the great majority of Germans as one of the finest



results of their post-war policy. But the undeniable support by all Federal governments for the close links is motivated by other factors as well, very much ones of "Realpolitik". The Federal Republic of Germany and France see themselves as the core of the European Community, since without their collaboration no advance is conceivable, while this collaboration itself has often been the catalyst for advancement. Additionally, however, the Federal Republic and France are politically and from a security viewpoint the core of what is left of Europe after two world wars and the loss of the great power status of the European states. Without the closest cohesion between these two nations there cannot be any significant counterweight on the old continent to the world power of Soviet Russia. This aspect will remain decisive as long as the question of balance continues to play a role in policy. It will therefore presumably retain its importance even in the event of successful reform of the Soviet system of government and of society.

But the combined forces of Germany and France alone cannot create balance in Europe. The weight of Russia is too great for that. It was this in particular that led to Adenauer's dilemma, that barred him from following de Gaulle's line, and also made it unacceptable from a domestic policy viewpoint. For de Gaulle's policy was unmistakably directed against the predominant position of America in the Western Alliance, which Bonn as the much more heavily exposed and more dependent partner had not only to accept but indeed to support. The General's policy on the Alliance was thus in contradiction with vital interests of the Federal Republic. For a time it actually split public opinion, expressed, for instance, in the struggle in Germany between "Atlanticists" and "Gaullists", or in the preamble added to the Act ratifying the Franco-German Treaty of 22 January 1965 by a large majority of the German Bundestag, and which in de Gaulle's eyes largely deprived it of value.

If, then, the German "Atlanticists" could not follow de Gaulle, the "Europeans", particularly the "federalists" among them, were equally unable to do so, for their own reasons. The result was a common front against the General's policies among groupings that otherwise by no means agreed with each other. Many "Atlanticists" were at the same time "globalists", who would basically have preferred a great free-trade area to the EEC.

The General probably also wrongly estimated the response and weight of the Benelux countries. Here, from his nation-State viewpoint and way of thinking, he had a particular admiration for the Netherlands. For him they represented, and not wrongly, the only old nation State, apart from France, with rich traditions in the Community of Six.

The Benelux countries, a core country of Western Europe since Lothar's Kingdom and the great century of Burgundy, have played a special role in the integration process since the Second World War. This often went far beyond their relative weight in quantitative terms, and has therefore not always been adequately appreciated. It is the merit of the



statesmanly gifts of such personalities as Paul Henry Spaak and Joseph Bech, particularly of their European convictions, which often seems easier for Belgium and Luxembourg to embody than for Holland as a former great power. Historical experience and wise self-awareness had taught these countries to approach their bigger neighbours with caution. Thus, in the integration process too they sought guarantees against their excessive weight. They found these in the Community, particularly in its independent institutions, the Commission, the Court of Justice and the Parliamentary Assembly. They could not follow de Gaulle's line, if only because his policy sought to restrict these institutions to a technical role. But Holland in particular would have been prepared to do without the corrective of supra-nationality and agree to the inter-governmental cooperation that de Gaulle wanted if only Britain had been included as a counterweight to the Federal Republic and France. But this again proved to be unacceptable to the General.

The Belgian Foreign Minister Spaak, and still more his Dutch colleague Luns, have been reproached for having blocked political unification through their uncompromising attitudes in the last phase of negotiations on de Gaulle's initiative. It has even been argued from the French side that the 1965-6 crisis would not have occurred if the Six had been able to agree in 1962.

The last point will still have to be dealt with. But the reproach against the Dutch for having taken up an intransigent attitude does not seem justified. What is true is that the Dutch call for the immediate involvement of Britain in political cooperation was plainly unacceptable to de Gaulle. It was also largely criticized by the "Europeans". But the fact that Britain had in the meantime applied for accession to the Community made it at least not illogical.

Primarily, however, it was a question of trust in de Gaulle's intentions. This had been undermined by his repeated heavy criticisms of the Community institutions and Community procedures and by his volte-face of 17 January 1962. Ultimately, the Fouchet Plan failed neither because of the stiff Dutch neck nor because of British interference. It failed because of the incompatibility of convictions and objectives. To be sure, Monnet and many of his friends and supporters were right to warn against over-rigid attitudes towards de Gaulle's proposals. Undoubtedly, too, the inflexible Dutch attitude had contributed to a deterioration in atmosphere. But the contradiction was not to be bridged by compromise formulae. This was proved by the 1965-6 crisis, which could have been avoided only if the French President had in 1962 already attained his goal of transforming the Community system, stripping it of its supra-national element.

Anyone involved in the process of European integration in those years will recall that de Gaulle's supporters used to fend off discussion on strengthening the Community institutions with the argument that these were "theological" disputes. This was meant to play down such discussions as theoretical, or more exactly, remote from practice. But, in fact, the



choice of the term “theological” unwittingly betrayed the fact that people were very well aware of the high ranking nature of these problems. It is quite true that the Spaak committee had proceeded very cautiously in the negotiations on the Treaties of Rome with respect to institutional questions and had taken them up only at the last moment. But the reason for this was not that institutional questions were regarded as minor. On the contrary, people were only too well aware of their decisive importance, but also of their particular sensitivity, since the failure of the EDC. No one saw this more clearly than the General, who by no means coincidentally set the reform of France’s institutions at the very centre of his major effort for renewal. At European level too, he could have no doubts as to the importance of institutions. His resistance to the European Commission under its outstanding President, Walter Hallstein, was based not on its lack of efficiency but, on the contrary, on the fact that it was constantly gaining in authority, and was occasionally inclined to lay claim to too much.

Accordingly, the General’s political initiative failed on the one hand because of incompatible positions on fundamental questions of integration, but on the other because the great French statesman underestimated the divergent national interests of the Community partners and did not take them sufficiently into account.

There is a paradox here. For the very reason that de Gaulle attached so much importance to the individuality of nation States, he ought to have realized that only in a patient process of rapprochement, promoted by an effective institutional structure, could the degree of harmony be developed that would have put France in a position to effectively assume a leadership role. But de Gaulle on the one hand dismissed the integrative function of the institutions and on the other did not take enough account of the sovereign will and national interests of his partners. In Alliance policy he made excessive demands on the Federal German Chancellor, and in integration policy he did the same regarding the traditional interests of the Netherlands, and, to a lesser extent, of Belgium.

Accordingly, not only was failure assured, but a unique opportunity, never to return, was lost. It has been said that de Gaulle could have become the first president of Europe, but preferred to be the last monarch of France. That may be an exaggeration, but there is certainly a core of truth in it. There is an irony in the fact that the country that has contributed more to Europe’s unification than any other — in terms of the exercise of political and moral leadership — also contributed much towards damaging its own work. Perhaps that is the dialectic of history.

De Gaulle’s first veto, as has been illustrated, brought down the great free-trade area and thus, probably unintentionally, brought the Community onto the path of enlargement — at the expense of deepening. This became clear when the peripheral counter-integration in the EFTA set in motion by Britain proved politically ineffective and the United



Kingdom, followed by Ireland, Denmark and Norway, applied for membership in August 1961.

The reasons why the British attitude to continental European integration had to be ambivalent have already been sketched out above. As with de Gaulle's Europe policy, British European policy has often been accused of hypocrisy, indeed of dishonesty. In fact, it is much more likely in both cases that short-term national interests ran counter to long-term European ones, the result being an intrinsically contradictory policy that was neither straightforward nor could appear to be so. It is more that likely that the project for the great free-trade area was intended not only to build a bridge between the Six and the other members of the OEEC, but also to keep development of the Community under British control. It is also clear that the political initiative of the Fouchet Plan met with British mistrust. Finally, there is no doubt that the 1961 entry application was above all politically motivated and certainly bound up with the objective of keeping continental European federalism within limits. Here the British attitude coincided with de Gaulle's, from which the initial conclusion may perhaps have been drawn in London that the General would not necessarily oppose Britain's accession to the Community.

In fact, however, the political conceptions of the two powers were, despite a shared rejection of federalism, incompatible. De Gaulle's conception was essentially a European one. He was concerned with the identity of the Old Continent among the great powers. But Britain saw itself as a link between the Continent, to which it did not itself basically belong, and the leading Atlantic power. The incompatibility of its position with the General's thus resulted, as was the case for the Federal Republic, though for different reasons, mainly from differing attitudes towards America and its role in the Atlantic Alliance. Specifically on this question, as well as on relations to Soviet Russia, finding and effectively putting forward a common position is a central concern of European integration, and it is a question which is still continually threatened with defeat. To this day, it is the one issue on which the differing political and psychological starting positions of the three main European powers involved most clearly emerge.

For France and the Federal Republic of Germany the problem ultimately lies in dependence on America. De Gaulle tolerated severe Atlantic crises, but also internal European ones in order to reduce that dependency to a psychologically tolerable level. He did achieve this for France, though at the high price of causing irreparable damage to the military organization of the Alliance. Thanks to General's policy France's relationship to the US became ultimately relaxed. Though the Federal Republic of Germany on the contrary had regained its sovereignty in the course of the cold war, it remains nevertheless located at the interface between the two alliances, and while purely conventionally armed it remains defenseless on its own; thus, no such option has ever been available. Its relationship to the US has therefore continually been subject to the danger of constraints.



Britain is in quite a different position. It emerged from the Second World War as apparently the third world power and above all the most important and closest ally of the United States. In a political and psychological sense it has remained so up to the present. The frequently denied "special relationship" is still a reality, and is especially seen from London as a political asset of the greatest value, the cultivation of which is given constant attention. While the US is indisputably the *primus* in this relationship, it is nevertheless *inter pares*, more like the son that has outgrown the father than like the elder brother. This relationship completely lacks the tension that drove de Gaulle to rebel and exposes Germany to perceptible psychological and political burdens.

For Britain, one might say, the cultivation of the "special relationship" is a means of maintaining its own importance in the world. De Gaulle in his turn saw renewed greatness for France in leading a "European Europe", a Europe free of American hegemony. It was no coincidence that it was he, in his press conference of 31 May 1960, who conceived the remarkably unrealistic concept of Europe from the Atlantic to the Urals, a concept which Gorbachev was to recast into the fascinating vision of the "common European home". But from the viewpoint of cultural history this could only be a home reaching from San Francisco to the eastern frontier of Poland and accommodating the nations with a Western tradition, whereas from the point of view of a balance of power, only an area from San Francisco to Vladivostok would make sense. It is only in the limited field of conventional arms control that the limitation from the Atlantic to the Urals is meaningful. Amazingly, however, this does not seem to prevent this simultaneously unrealistic and dangerous formula being used.

As one can see, the positions of Britain and of France were diametrically opposed on central political questions. The common rejection of federalism, which Monnet wished to take advantage of so as to "make the best of it", in order to encourage British accession to the Community, did not alter the fact that Britain's membership was incompatible with Gaullist France's claim to leadership. It is therefore hardly surprising that after tough, difficult negotiations for more than a year, there came a third veto from the General, at a press conference on 14 January 1963. This put an end for nearly ten years to the expectations of all those who hoped for British participation or regarded it as indispensable.

Much has been said, written and puzzled over on the question of whether this was unavoidable. One question in particular that has continually been asked is whether the British side had not overplayed its hand and missed the right moment in autumn 1962 to make the necessary compromises, especially in the area of agriculture. History cannot be asked about possible alternatives, but the contemporary witness who saw events from close up receives another impression. It may certainly be argued that the British side exaggerated its tactics withholding concessions, according to the shallow conventional wisdom of diplomacy, in



order to build up time pressure at the same time. But there is little to suggest that the General stopped the negotiations because they appeared to him to have no prospects. Things seemed if anything to be the other way round. The British-American Nassau agreement of 21 December 1962 on equipping the British nuclear strike force with American Polaris rockets must have confirmed the General in his fear that Britain might become the "Trojan horse" for the Americans in his Europe, and so he forced accession negotiations to be broken off irrespective of the position they had reached, and, in fact, perhaps precisely because they finally seemed to be on the right road.

It says much for the resilience of the European integration movement that it has been able to survive even shocks of this magnitude and remain apparently unaffected. After a relatively short phase of turbulence the Community again turned to its internal structure. In the remaining years of the second stage of the transitional period provided for in the Treaty of Rome, that is, until 1 January 1966, it even made important advances, culminating in agreement on the merger of the executives, i.e. the EEC and EURATOM Commissions and the High Authority of the ECSC, on 2 March 1965.

Nevertheless, the years from the failure of the first British negotiations in early 1963 to the third successful approach to entry in June 1970 appear in hindsight as a tragic phase for Europe.

*Sub specie aeternitatis*, enlargement of the Community was unavoidable. There could no longer be any doubt about this, following the shift in British policy after 1961. It had also become necessary, since integration could not be continued in the long-term against Britain, and London was no longer prepared to simply stand aside. However, France's partners were, despite the shock of 14 January 1963, prepared to continue going forward in the direction pointed to by the Treaties, and, as the merger of the institutions showed, even further than that. With entry into the first stage on 1 January 1966, in which majority decision in the Council of Ministers was to become the rule, the Community would have achieved the breakthrough into supra-nationality. Whether it could have managed this if at that time it had already been enlarged to include Britain, Denmark, Norway and Ireland can only be an object of speculation, but may well be doubted. The political and psychological setback brought about by the postponement of "enlargement" for almost a decade nevertheless provided an opportunity to use this time fully for "deepening".

But this opportunity was lost through de Gaulle's fourth veto. No single political act has so lastingly harmed European integration as that veto of 30 June 1965. What had not been achieved with the 1960 initiative, rendering the Community's supra-national system de facto powerless, was now achieved.

What had happened? The Member States had undertaken to decide on the financing of the Common Agricultural Policy by 30 June 1965. The Commission accordingly had worked out proposals which, instead of the



existing pro rata contributions of Member States, provided for the Community to have its own resources, to be administered by the Commission under control by the European Parliament. This really rather supra-national proposal was expounded by the Commission to Parliament before it was officially brought before the Council.

Such a procedure was just as unacceptable to de Gaulle as was the content of the proposals themselves. This inevitably put additional burdens on the discussions in the Council, which were already difficult enough. Despite long night sessions, no agreement could be reached by the end of the 30th of June. But instead of "stopping the clock", as is customary in such cases, French Foreign Minister Couve de Murville, in the Chair, pronounced the failure of the negotiations. Since its partners had not met their undertakings, France would henceforth not take part in the work of the Council and would also withdraw its permanent representatives from Brussels.

Once again the moderate stance of France's partners brought the Community through even this crisis. They did not succumb to the temptation to respond to de Gaulle's policy of the "empty chair" by taking steps without France that might possibly have meant a break. When the negative effect of the crisis on public opinion in France, particularly among the farmers, resulted in de Gaulle's failure to secure an absolute majority in the first round of elections for the French presidency on 5 December 1965, the time was ripe to resolve the crisis.

This came about at the Council meeting in Luxembourg on 28 and 29 January 1966 in the form of the so-called "Luxembourg compromise", which in reality was a dissent. France returned to the Council table; but it insisted that in questions of important national interest further negotiations had to continue in the Council at the request of the country concerned, until consensus, that is unanimity, had been reached. While the other five maintained their standpoint that the Treaty ought to be applied, they nevertheless voted for resumption of normal Council work without preconditions. This, in practice, meant suspending the majority principle, preventing the Community from entering the phase of supra-nationality on 1 January 1966.

To that extent, it may justifiably be said that the test of whether political integration would inevitably result from economic integration was never carried out.

Twenty years were to pass before the Luxembourg setback could be overcome procedurally, with the reintroduction of the majority principle by the Single European Act. However, it is quite another question whether the damage done could be remedied. For the damage was enormous. The decision-making process in the Community was made extraordinarily difficult and slow. The quality of decisions, which often had to be brought to the lowest common denominator, tended to fall. Often the Community was paralysed, and for years unable to take objectively urgent decisions at all. Above all, the enthusiasm for Europe in public



opinion in Member States disappeared, making the integration process lose much of its political dynamics.

It is barely possible to remedy this damage. Historical opportunities do not return, and lost time cannot be made up. Whether the new start the Community is embarking on with the Single European Act and the project for the single market in 1992 will turn out to be a real political quantum leap still remains to be seen.

Legends have burgeoned around this crisis too, particularly about alleged political failures by the Commission under its President, Walter Hallstein. The Commission, it is said, had gone too far in its proposals for financing the Common Agricultural Policy: it had affronted de Gaulle by making them known too early in the European Parliament; it had, in the decisive negotiations on completion of the Common Agricultural Policy, failed to bring compromise proposals able to secure consensus onto the table in good time before the time limit expired on 30 June 1965; it had aroused the General's wrath by comporting itself like a government, for instance, in accepting credentials.

Indeed Walter Hallstein did, and in this he was quite different from Jean Monnet, play the Commission's protocol act high, perhaps too high. In fact he, like Monnet, extracted the maximum political effect from the position of the executive and its president, and with great success. But by contrast with Monnet's presidency of the ECSC, Hallstein's in the EEC was in the de Gaulle era, and that alone makes the decisive difference. At stake, as the General had for years made clear beyond doubt, were the fundamental principles of the unification process, contradictions that were unbridgeable and that had to come to a head at the last moment, at five-to-twelve as it were at the threshold of supra-nationality, i.e. before 1 January 1966. Nothing could have prevented de Gaulle from bringing about the crisis before expiry of that fateful time limit. The inflexible resolution he demonstrated on 14 November 1958, on 17 January 1962 and on 14 January 1963 allows no doubt about that. The unique force of his personality rendered undying service to his country, but at a high price in terms of European integration.

The European federalists, not least the eminently creative and pragmatic Monnet, and Hallstein, unequalled in exploiting institutional possibilities, had assumed that in integration the "cunning of history" would prove itself. Their calculations lay, as already said, in the assumption or at any rate the hope that political integration would come about via facti, through the pressure of the facts of economic integration. It is a commonplace today that this calculation was wrong; in other words, that the founding fathers of Europe were lacking in political realism. But this theorem is unprovable, since it was never put to the test.

Walter Hallstein, in the forefront in this connection since he bore operational responsibility in a central position during the crisis years, may have overestimated the Commission's possibilities. Perhaps that was the only reason why he was fully able to use them. But he cannot be



blamed for believing that the Member States would actually implement the Treaty of Rome. The core of its system is the subtly balanced and precisely circumscribed principle of decision by qualified majority on the basis of proposals from an independent Commission, which may be departed from only unanimously. This system was neither suitable nor intended for simply steam-rolling the national interests of Member States. The founding fathers of the Treaty never surrendered to the naive belief that genuinely vital interests of a Member State could be out-voted through majority decision. Yet, as Jean Monnet himself pointed out, the mere possibility of a majority vote would increase the willingness of national governments to compromise, make it easier for them to keep face at home and thus decisively promote the decision-making capacity of the Community's legislative organ, the Council.

No one, not even the founding fathers, could foresee that this system would be knocked out of kilter by a single act of power by a uniquely strong personality.

On 28 April 1969 Charles de Gaulle resigned from the presidency, after his defeat in a referendum on a constitutional question. It was the end of an era.

The General is the most fascinating European statesman of his time, and certainly one of the most important. He left his country transformed, freed from the yoke of colonial wars, equipped with functioning institutions, economically strengthened, internationally respected, holding a leading position in Europe and full of new self-confidence.

At the same time, however, he had succeeded neither in shaping Europe in accordance with his ideas nor in playing a politically determining role between the great powers or in concert with them. France's resources were not sufficient for that. De Gaulle, if anyone, would have been capable of bringing Europe together, but his intrinsically contradictory policy prevented him from doing so.

His successor, Georges Pompidou, himself a "Gaullist" and for years a close confidant of the General, administered and augmented the patrimony of his great predecessor loyally in spirit and effectively in deed. At the same time, however, within this framework he adapted France's policy to the needs of the time. Above all in European policy, he made changes more quickly and more radically than one would have been led to expect by the long shadow that his great predecessor continued to cast over France for years.

This adaptation of French European policy first became visible at the Hague summit conference on 1 and 2 December 1969. The conference had been convened on French initiative. At the same time it was strongly supported and shaped in content by the new German Federal Chancellor Willy Brandt, who attached much importance to advancing European integration. In this he was in line with a basic foreign policy principle of the Federal Republic of Germany. Brandt was about to embark on the great enterprise of his new Ostpolitik. The precondition for its success



was for him, as for his successors, the ever stronger tying of his country into the family of free nations. In Europe, the Community is its keystone.

The Hague Summit Conference was the first for almost nine years, apart from the mainly ceremonial summit meeting in Rome on 29 and 30 March 1967 on the 10th anniversary of the signature of the Treaties. This fact provides a measure of the depth of the crisis in which the Community had been left as a result of the failure of the first attempt at political union.

The outcome of The Hague, the "triptych" of "enlargement, completion and deepening", in fact brought the Community new impetus, albeit not to the hoped-for extent. Of the three most important resolutions agreed on by the conference, not least at German insistence, those on enlargement and the setting up of "European political cooperation", led to success; the third, on formation of an economic and monetary union, was, instead, to show only limited results.

The resolution on enlargement led on 30 June 1970 to the resumption of entry talks with Britain, Denmark, Ireland and Norway, and on 22 January 1972 to the signature of the accession treaties by these countries with the exception of Norway. The shift in the French position on this issue, already adumbrated under de Gaulle, must also be seen in connection with considerations of equilibrium. The point was to give the Community a better balance, having regard to the steadily growing economic weight of the Federal Republic.

The resolution on political cooperation was converted on 27 October 1970 into a report, the so-called Luxembourg Report, presented by the Foreign Ministers to the Heads of State and government and adopted by them. On the basis of the resolutions of the Paris summit of 21 October 1972 and the second report by the Foreign Ministers of 23 July 1973, the so-called Copenhagen Report, the EPC was then further extended. Since signature of the accession treaties in January 1972, Britain, Denmark and Ireland had been fully involved in it.

The Political Cooperation deserves closer consideration, from several viewpoints. When the Foreign Ministers met for their inaugural meeting on 19 November 1970, it was their first "political" meeting since they had met in connection with de Gaulle's political initiatives. In the interim their multi-lateral meetings had been confined to the sessions of the Council of the Community.

This is a remarkable circumstance, scarcely imaginable today. Six neighbouring European countries, linked with each other through treaties on economic integration, politically committed to the idea of the unification of Europe, were for ten years incapable of joint foreign policy discussion. Yet the Community is no freer of political and psychological "blocks" of a similar nature today than it was then. And recognition or acknowledgement of these "blocks" by those responsible for them is just as scant today as it was then.



Even when it had come out of the cradle, the EPC was long unable to get off the ground without constraints. France insisted on a strict separation of the Political Cooperation from the Community. The hope no doubt entertained by de Gaulle, that the inter-governmental system of the Fouchet Plan would overlay the Community structure, had evidently given way to the inverse concern that a link between EPC and Community would give the latter a more political content and might thus lead to a "Communitization" of foreign policy. On 23 July 1973 the separation took the grotesque form of having the foreign ministers meeting in the morning in Copenhagen under the EPC, only to meet again the same afternoon in Brussels in the Council. Accordingly, it took years, until the Paris summit in December 1974, before account could be taken of the fact that the Community's external relationships cannot be separated from the EPC.

Again not without an occasional controversy, but on the whole fairly free of friction, was the gradual inclusion of the Commission in the EPC, initially confined strictly to questions "directly" affecting the Community's competences and gradually being extended to all types of work.

Weightier than these transient problems was the fundamental decision of the governments to place foreign-policy cooperation on an inter-governmental basis. This decision still stands although the Single European Act has made the EPC an integral part of the integration treaty.

This decision was certainly unavoidable. As is the case with defence, currency and fiscal sovereignty, foreign policy too is a keystone of national sovereignty. This is true not least because it affects vital national interests. How much of this is reality and how much mere perception need not be gone into, since perceptions, as Kissinger said, weigh no less heavily in politics than do realities. In 1970 the time was not yet ripe for supra-nationality in foreign policy, that is, for majority decisions or joint representation. That was clear to all those involved from the outset, and not much has changed in the meantime in this regard. It is, though, necessary to realize what this means.

By contrast with Community commercial policy, then, there is no majority decision and therefore no perceptible pressure towards unity. Above all, however, there is no joint representation externally, apart from the presidency rotating every six months, most recently occasionally augmented by the so-called Troika system. But a presidential power can always only represent the Community interest imperfectly. The Foreign Ministers always remain first and foremost representatives of their own countries. Additionally, by contrast with what happens with commercial policy, no one is compelled to negotiate with the EPC as such. It is a sounding-board and at most a mouthpiece, but not really an actor on the international stage.

This has considerably limited its effectiveness. For all its merits, it has never, unlike the Community commercial policy, become anything more than the sum of its parts, if even that. It has, and this is significant, been



able to be successful only where the question of power plays no or almost no part, namely in international bodies operating on the principle of equality of states, that is, on a legal basis. This is true of the United Nations General Assembly and to a particular degree of the Helsinki process. Here the Nine, the Ten, and most recently the Twelve have often been able to play a decisive part; but these are after all decision-making processes which, while subject — in the case of the Helsinki process — to the principle of consensus, come closer to parliamentary forms.

As against this, the EPC's effect is minor where essentially only bilateral action can be taken, such as in regional crises. Here the EPC, unlike the Community when it comes to commercial policy, lacks a personality of its own. Correspondingly, it continually proves to be an illusion if individual Member States believe that their national diplomacy gains weight simply because it presents itself as the vehicle of a common goal. This state of affairs cannot be significantly changed by cosmetic retouches like the Troika system and the setting up of a rump secretariat in Brussels.

As mentioned, the summits in The Hague in 1969 and in Paris in 1972 were the first substantial meetings at this level for more than ten years. It had, however, become clear in the meantime that the Community's increasing weakness in decision-making could not be overcome without institutionalizing an organ at the highest level.

This weakness in decision-making had two main roots. Firstly, the unanimity principle perpetuated through the "Luxembourg dissent" acted in this direction. Secondly, this tendency was strengthened with enlargement, especially since Britain and Denmark saw non-application of the Treaty provisions on majority decisions as part of the basis for their accession. Against many irrational expectations, enlargement of the Community gave integration no new impulses, but rendered the painful progress even more difficult. Correspondingly, it was not possible to loosen up the principle of unanimity again either. Admittedly, France's new President, Valéry Giscard d'Estaing, who succeeded Georges Pompidou on 27 May 1974, had reached the conviction that this loosening was necessary, but the communiqué of the summit conference he convoked in Paris on 9 and 10 December 1974 shows that in practice things remained at the Luxembourg dissent, where each Member State decided freely and without need to give justification for itself if it regarded a question as important enough to make use of the *liberum veto*, i.e., not to let it even come to a vote.

It was all the more important that the heads of State and government were able at that meeting to agree to meet regularly in future, specifically, as the communiqué says, as the "Council" of the Community. This meant that an important obstacle had been surpassed. The expanded Community had the supreme guiding body that it needed more than ever since the Luxembourg dissent. At the same time it was explicitly estab-



lished, and here the Paris resolution differed from the Fouchet Plan, in that the new body was not to upset the institutional system of the Treaties.

It is true that the relative weight of national governments and institutions in the Community has shifted over the years. This shift was until recently unilaterally in favour of the governments and Council and against the Commission. Whether the Single Act can alter this trend cannot yet be seen. But it was not the institutionalization of the European Council that gave the impetus for the shift, but rather the Luxembourg dissent.

Institutionalization of the European Council at the Paris summit at the same time meant the ending of the artificial separation of the European Political Cooperation from the Community. The EPC, however, remained inter-governmental and outside the Treaty. It was only 13 years later that, with the entry into force of the Single Act, foreign policy cooperation was to be established on a treaty basis, though admittedly without losing its inter-governmental character.

In the meantime, however, the Community had become involved in the deepest crisis of its history so far. It could rightly be termed an existential crisis.

On the basis of The Hague summit resolution, the Council had on 6 March 1970 set up an ad hoc committee chaired by Luxembourg Prime Minister Pierre Werner, to consider possibilities and ways of establishing an economic and monetary union. This was based on the growing perception that neither free trade in the Community nor the Common Agricultural Policy would be guaranteed as long as there were no fixed exchange rates, which in turn would require a great degree of common aspects of economic and monetary policy. Future events were to emphatically confirm this, in reality, obvious fact.

The Werner Plan was put before the Council in October that year. It provided for the establishment of the economic and monetary union in three stages within ten years. It called among other things for removal of exchange-rate bands, irrevocable establishment of fixed exchange rates and the complete liberalization of capital movements. Parallel with this, convergence and ultimately unification of economic policies was to be brought about. The organs provided for were in the final stage an economic decision-making body and a central banking system, as well as a directly elected parliament to which the decision-making body would be responsible.

After tough negotiations, in particular because France insisted on unanimous decisions even in the final stage, a heavily modified plan was adopted on 22 March 1971.

But things turned out very differently. Adoption of the plan coincided with the end of a long period of world economic prosperity under the arrangement of fixed exchange rates, the Bretton Woods system. Two severe economic crises following its adaptation in the years 1971-1974 were to thwart its implementation and at the same time make it clear how



important it would have been for the Community to have endowed itself in good time with the order and the institutions of an economic and monetary union.

The first crisis started from the US and led to the collapse of the Bretton Woods system. The second was rooted in the oil price shock and the 1973 Middle East crisis.

With the flight from the dollar that started in 1971 and was repeated still more strongly in 1973, and the quadruplication of the price of oil, Community Member States were faced with severe balance-of-payments problems and heavy inflationary pressure. But this pressure did not lead to any convergence of response: it did not induce the Community countries to take joint action, but drove them apart.

Presumably two factors were decisive for this. Firstly, basic differences in the "philosophy" of economic policy came to light. Thus, German Economic and Finance Minister Schiller advocated joint floating against the dollar, in essence a market economy measure, while his French colleague Giscard d'Estaing called for controls on capital movements, that is, government intervention.

The differences in thinking underlying these divergent responses were not unknown. But as long as the fair weather held it had been possible to live with them. In the crisis they had a disintegrating effect. Integration is not only, and perhaps not even primarily, a mechanical procedure based on rules and institutions. Both are indispensable, but integration also has to come about in consciousness, in minds. This requires first of all a readiness for compromise, and therefore a certain breadth of vision and magnanimity of thought. But these are not enough by themselves. It is also necessary to develop common habits of thought; that is, a consciousness-forming process that develops with time is needed, a process which probably cannot be significantly hastened.

Secondly, the Community institutions proved too weak to block the centrifugal forces in economic policy, a sort of "sauve qui peut" set in. What the institutions did just manage to do, and this deserves every respect, was largely to retain the "acquis communautaire", to ensure that the Community did not simply fall apart. But under these circumstances there could be no prospect of genuine progress in building up economic and monetary union.

While the crises of the Community provoked by the great Charles de Gaulle were at bottom artificial ones, crises that objectively need not have occurred, resulting more from obstinacy than necessity, here it was hard political and economic realities that were at stake. Accordingly, the resilience that the Community once again displayed deserves even more respect than that shown in 1963 and 1965. The resilience was, and this should be said here, not least the merit of the German member, which although relatively best able to cope with the crisis, did not nevertheless leave its partners in the lurch.



The crisis of the 70s provides the occasion for considerations on the internal equilibrium in the Community's development, the conditions and function of which have perhaps not yet been adequately studied.

The question suggests itself, particularly today in the late phase of the longest post-war boom so far, whether the economic and monetary union could not have been achieved earlier, before the twofold crisis, during the "good" years. A second question that follows on from this is whether the institutions of an economic and monetary union, had they existed, would have been strong enough to stand the storm.

There can of course be only hypothetical answers to hypothetical questions. But it seems likely that the problem here is specifically one of internal equilibrium. Michel Debré once logically enough said that a European consciousness would have to be formed before integration could be achieved. From the German side it is continually stressed, even today, that there has to be a common economic policy before a monetary union can be set up. Both arguments of course contain more than a grain of truth. But they ought not to be misused as "crowning points" which by heaping up unfulfillable preconditions block all progress. Doctrinarism, perfectionism or an all-or-nothing policy can never lead to success in integration. What is needed is to see that advances very often mutually condition each other. Often, therefore, what is needed is parallelism and also pragmatism, which must not be confused with "muddling through".

It remains true, though, that common policies require among other things reciprocal training in common thinking and that Community institutions will break up or become ineffective if they aim at compelling joint action against true or presumed vital interests of individual nations.

Operating at the right level here, that is, above the lowest common denominator, at the point where consensus is still just possible, is a high art of which Jean Monnet was an unbeatable master, and to which the "fleet in being" of possible majority decisions is an indispensable aid.

In the early 70s the institutions of the economic and monetary union were not yet in place. Nor could they probably have been created, even if de Gaulle had not blocked developments. Too much had been placed upon the Community in the first fifteen years of its existence to make it possible for it to cope with this task as well. Had these institutions been established, however, it is still more than questionable whether they would have been up to the crisis. Basic economic policy viewpoints and starting positions were too different, as were their economic interests even in the core countries of the Community. The long years of mutual adjustment in the "European monetary system", which have since brought a considerable degree of convergence, were lacking at that time.

Among the happy coincidences in the history of integration is that in spring 1974 two men with the personal weight, practical knowledge and breadth and magnanimity of thought needed to lead the Community, and indeed the world economy, out of the crisis assumed leading roles. Their merit cannot be rated highly enough. On 16 May 1974 Helmut Schmidt



took over the German Chancellorship from Willy Brandt, and three days later Valéry Giscard d'Estaing was elected President of France.

For seven years these two men were to work together in a so far unique fashion. Though British resistance meant that it was not possible to get away again from the crippling principle of virtual unanimity, it was nevertheless possible in these years to take many important decisions. Three of them above all had strategic political significance: agreement in 1976 on direct elections to the European Parliament, introduction in 1979 of the European Monetary System and the breakthrough in 1980 over the question of the British contribution to financing the Community.

This is not the place to go into the much-discussed topic of what political importance direct elections to the European Parliament have. And it is too early to assess the political role of Parliament and its chances for the future.

Obviously its powers are not yet remotely up to what would be appropriate for the principle of parliamentary control today, still less after 1992. But since there are no accepted ideas on the shape of the European federation or confederation, there is little conceptual clarity as to the future role of Parliament as well. Undeniably, it has step by step gained political ground. But the question of its role cannot even in the future be solved in a purely pragmatic fashion. The spill-over effect, it is true, is more than just a legend: the interaction of objective constraints and a certain degree of institutional manipulation can certainly bring about pressure in the direction of progress which can be politically irresistible. But whether, with the Community's present structure, this will also be true for the extension of parliamentary control seems to be questionable. Probably here too, deliberate, clear acts of policy by the governments will continue to be necessary.

Whether this is also true of further progress in the direction of monetary union might very soon become a fateful question for the Community.

The combination of free exchange rates with rapidly increasing globalization of money markets that the world has been living through since the early 70s is a potentially explosive mixture. The fact that an explosion did not happen is probably thanks to Valéry Giscard d'Estaing and Helmut Schmidt more than anyone else. They are to be thanked above all not only for institutionalizing the European Council but also for the world economic summits and for cooperation in the so-called G7.

They are also the creators of the European Monetary System. Here particularly Helmut Schmidt has the great merit of moving back from the traditional "crowning point" of the German side, that integration in monetary policy was the necessary precondition of a common stability-oriented economic policy. Without bringing this fundamentally correct principle into question, the German Chancellor had the courage to give the necessary parallelism a chance. Anyone who has followed the inflation rates in the core Community countries, noting the way in which they have



come closer to each other since the EMS was set up, has to admit that Helmut Schmidt's calculation has been upheld until today.

Europe and the industrialized free world are at the end of the 1980s in a highly advanced stage of sustained economic growth and rising prosperity. The dangers that threaten this boom may be different from those of twenty years ago. But the fact that such dangers exist is obvious, and October 1987 proved that. The increasing globalization of markets, the headlong increase in the speed and volume of transactions, has not been met by any corresponding growth in regulatory authority. The governments of the industrial countries remind one of drivers on a motorway, confident about keeping their cars under control at high speeds. They are right, as long as nothing happens. But when something does, then the braking distances prove to be too great.

Both the state of the world monetary system and the 1992 internal market seem to make progress in the direction of a European monetary union mandatory. Compared with the early 70s, the core countries of the Community have come considerably closer in their economic policies. Those who refuse gradual progress in fair weather are thus taking a grave responsibility upon themselves.

It will emerge here once more how much is dependent on political leadership, on the role of personalities in history, so emphatically demonstrated in the course of European integration, both positively and negatively. To be sure, even political leadership cannot compel progress in the integration of sovereign states if the time is not ripe. But it can perceive opportunities which otherwise are in danger of being lost.

Obviously, the present Commission President Jacques Delors, like his first predecessor Walter Hallstein, is one of the personalities to whom leadership is given. But without collaboration by the core countries of the Community, the Commission's political weight alone would be still less sufficient than in 1965 to bring about breakthroughs in the Community's further development.

Valéry Giscard d'Estaing and Helmut Schmidt are no longer in office, and the leadership power that they developed in exemplary interaction is not easily replaced. Accordingly, attention inevitably turns to London, and the question arises whether Britain is prepared to play a part in taking over a leading role.

So far it would seem as if British endeavours are, apart from free trade, aimed more at participation and control than at leadership.

Considering the original motives for British accession, this is comprehensible. As has been shown, for political reasons alone Britain found it much harder than its continental European partners to welcome the idea of integration going beyond free trade. The idea of supra-nationality was indeed even less in line with British tradition and mentality than with French. Even the most "European" of all British Prime Ministers, Edward Heath, did not manage to bring about his country's accession to the Community without securing accord with the French President Pompidou



that the Luxembourg dissent, that is, the unanimity principle, would remain.

But there were strong reservations about entry from economic viewpoints as well. The economic importance of Commonwealth preferences was admittedly declining, but the differences in agricultural policies heavily. The Community system of guaranteed producer prices, import levies and correspondingly high food prices contrasted with Britain's low-priced imports, low food prices and direct subsidies to producers. At the same time, the United Kingdom was carrying on only barely one-third of its foreign trade with the Community partners, as against 50% or more in the case of the continental Member States.

Given this starting position, any expectation that British entry would give the Community a new impulse, as many advocates of British entry believed or claimed to believe, was unrealistic and at bottom also unfair. The motives for entry were ultimately political. The will to meet commitments once made ought not to be doubted. But acting as a motor for the Community could hardly be expected of Britain, from the viewpoint of its perception of its own interests. To that extent its starting position differed fundamentally from France's.

Initially, even the will to meet commitments made was to be faced with a severe test. Community financing from customs duties and agricultural import levies led, it emerged, to a disproportionate burden on Britain. This induced the new British Prime Minister Harold Wilson, who had replaced Edward Heath following the Labour Party's election victory in 1974, to demand renegotiations, threatening to leave the Community if they were refused or were to fail.

As with France's partners in 1963 and 1965, the Community countries reacted to this shock too in a mature and wise fashion. Once a pragmatic view had become established in London too — one of Britain's strengths which can, however, sometimes lead to lack of vision — it became possible to solve the problem within the Treaty and in the context of Community procedures, step by step. The first breakthrough came about in 1981. Economically too there was an increasingly manifest rapprochement with the Continent, and therefore the fact that today London is among the most decisive promoters of the 1992 internal market need occasion no surprise.

But this commitment, for the sake of which even the reintroduction of the majority principle through the Single European Act was accepted, seems essentially to be limited to objectives of liberalization and deregulation, and therefore to the breaking down of barriers. By contrast, London does not so far seem prepared to entertain the assumption of a leadership role in the development of common policies.

On the contrary, Britain is continuing to shut itself off, turning into, as it were, the slowest ship with the strongest captain. This situation is disquieting. For free movement, especially if capital movement is included, is on shaky ground unless underpinned by common policies and



institutions capable of decision. A fair-weather Community that fails in crisis may come to cost all participants dearly. In the common internal market the transfer of sovereign rights to the Community bodies does not clash with national interest. On the contrary, that interest calls for it.

The Single European Act, the Commission white paper on the setting up of the internal market and most recently the Delors plan for the establishment of economic and monetary union have brought the Community momentum that has to be exploited as long as time lasts. How long that will be no one knows, since no one can predict how long the longest boom in post-war history will continue to last. The only thing certain is that once it ends everything will be that much harder. The development is complicated enough. Forty years of integration history have taught us that it is not possible to take the second step before the first one, to "brûler les étapes". This is true also, and by no means least, for the infinitely complex process of setting up a monetary union in a Community still very far from economic and social homogeneity. But, equally, the history of integration teaches us that it was often only imaginary obstacles, illusions of national greatness and independence, that opposed progress, blocking it for years if not decades. Distinguishing the real obstacles from purely imaginary ones calls for great wisdom and farsightedness. No example shows this more clearly than the changed role of the country that was the cradle of integration, namely France. Nobody has defended national sovereignty with greater conviction than the great Charles de Gaulle, yet no government today is a more decided proponent of economic and monetary union than that of his successors.

The Single European Act is a great opportunity. It has institutionalized the European Council. It has established European Political Cooperation on a treaty basis. It has given it a Secretariat and set it up at the Community's first seat, a decision of great political importance that had been argued over for years. By no means least, it has strengthened Parliament's role as a motor of the Community and, by extending the majority principle, it has created the institutional preconditions for setting up the internal market in 1992. The instruments available for integration have thus been fundamentally improved. Exploiting them is a question of political will. But this ought not to be oriented towards traditional conceptions of nation-State policy, but to the requirements of dimension and of balance in the Europe of the 21st century.